

Convergence IFRS in Turkey: Insights and Evidence from Academics and Practitioners

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Abstract

Determining the comparisons and opinions of academicians and practitioners regarding IFRS, IFRS convergence process and IFRS for SMEs in the arrangement process which are important for emerging economies such as Turkey is the main purpose of this study. The global convergence process of general profile in Turkey is asserted. The theoretic basis of the study has been formed in the view of the researches regarding nation treatments in literature and the model explaining the international transformation in Turkey has been designed. In pursuit of this, Financial Reporting Convergence Questionnaire (FRCQ), which was developed by Rezaee et. al. (2010), has been benefited and this scale has been applied to the study group by re-preparing the scale at an international level so as to specify the viewpoints of the academicians and practitioners in Turkey regarding this period.

Keywords: Convergence, IFRS, Emerging Economy, Turkey, Academics, Practitioners

1. Introduction

International Financial Reporting Standards (IFRS) adjustment which is a routinized system required to be formed at the level of written standards in accounting applications has been one of the recent overemphasised subjects. (Carmona and Trombetta, 2008; Chua and Taylor, 2008; Daske et. al., 2007; Larson and Street, 2004; Rezaee et.al., 2010; Sunder, 2009a). This internalisation process by standardization is distinctly observed in both accounting applications, accounting training and accounting researches (Sunder, 2009a). Even if it has been a utopic that all accountants talk the same language (Rezaee et. al., 2010) all around the world till twenty years ago, it has been possible to mention accounting consensus (Sunder, 2009b) in consequence of the standardization process in most countries (developed and developing countries in our day).

The accounting consensus being taken from within the scope of global financial system has taken all world similar effects as a developing country with an emerging capital market Turkey (UNCTAD, 2008: 141). It is possible to state that the standardization process in Turkey which had carried out all the accounting arrangements with the transmissions in various countries since 19th century has started prominently since 1999. However IFRS which started to be implemented in 2003 in terms of subsidiary companies of capital market have been used as Turkish Financial Reporting Standards (TFRS) corresponding with IFRS by completing all serial translation of IFRS in 2005. There are so many economic and normative pressures or factors affecting the beginning of this process and these are explained in details in following section of the study. At the beginning, just like in the other countries, the reasons of change in Turkey such as multinational enterprises' concerns on their development and improvement, development of international financial markets and the change of enterprises' conducts required the economic activities to be internationalized (Callao et. al. 2007: 149), following these reasons, the political reasons such as the necessity of preparing law complying with EU and being required by EU membership process were also important for the reason that the financial reporting go beyond the national boundaries. However, just like in all countries, the process in Turkey also included so many factors caused the differences in the harmonization process. The legal systems, taxation, inflation, political relations, cultural differences (Hellman et. al., 2010), especially language difference and terminology problems (Zeff, 2007) have been

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the primary for the factors in the literature. At this point both regulatory authorities and academicians have gotten involved in the process and have done researches for the implementors to understand IFRS and use it effectively. This matter led to ask both academicians and practitioners' comparative opinions in the study. In this way Turkey has planned to put into effect IFRS for Small and Medium Sized Entities (SMEs) as of 2013. The main reason is that according to the data obtained from Turkish Statistical Institution 95% of the enterprises in Turkey consists of SMEs. In Turkey this situation is important as much as IFRS harmonization process and the enterprises' carrying into effect IFRS implementations have a complex structure in terms of national. Herewith this has been mostly the matter in hand by both academicians and profession organizations recently. On the grounds of the statement above, one section was added to the survey for IFRS for SMEs in this study and both the opinions of academicians and implementors were asked. In accordance with the short statements, the main purposes of this study are to take the opinions of academicians and practitioners regarding IFRS convergence and IFRS for SMEs convergence processes in Turkey and to explain whether it is a statistical difference among obtained opinions or not. Herewith it is possible to assess as both implementor and theorist regarding IFRS convergence process in terms of national.

2. Literature Review: Conceptual Underpinings

There are so many researches regarding accounting harmonization in the literature. Some of these researches have analyzed the roles and arrangements between EU accounting directives and IASB, the other some researches have analyzed that the countries had difficulties regarding translated accounting terminology in IFRS transition process and national legal regularisations which are preventive factors in this process and some researches in the literature have analyzed the effects of enterprises in the countries complied with IFRS to financial charts, the changes in financial charts, the ways of countries' IFRS acceptance voluntarily or compulsory and the effects of these ways on implementation's results. (Larson and Street, 2004). As for this study, it has analyzed the viewpoints of academicians and implementors regarding the convergence process of IFRS implementations in Turkey which mean a transition economy. Accordingly the subjects and results of the researches creating the theoretical and conceptual infrastructure of the main research are shown in the chart behind (Table 1).

All researches summarized in Table 1 affected this research's being created. However especially the study, called Rezaee et. al. USA and executed in 2010, made important contributions to the preparation of this study's draft. According to the result of the research's analysis, it is considered that the academician and regulatory viewpoints and the differences between the viewpoints acquired in the period of IFRS convergence, the authorities and regulators setting the standards will make important contributions to the investors use the global comparable information or who can use the forementioned information, the enterprises that aim to increase the quality and comparability of the financial reports and which are the actor or the candidate for being an actor in the global financial system, the supervisors performing the independent supervision and the field of accounting training having an important role in IFRS harmonization process.

Herewith although there are so many studies regarding developed countries in literature, there are not so many studies regarding the countries which are developing and having the transition economy (Zeghal and Mhedhbi, 2006). It is expected that the study to be made makes important contributions to literature in terms of national and international. Because of the fact that there is limited number of empiric studies regarding Turkey which is considered that it is one of the countries having emerging economy in literature.

3. Method

Based on the studies forming the theoretical infrastructure of the research and partaking in the table below, it can be deduced that the main target of this study is to define the opinion and attitudes of academicians and practitioners related to the convergence process of IFRS global acceptance of IFRS, the factors affecting the convergence, the benefits which IFRS supports. In addition, in this study IFRS which is in the pipeline also aims to define the opinions and attitudes of academicians and practitioners related to the SME. In accordance with the main target of the research, it also reveals whether the academicians who joins to the convergence process directly by partaking in the theoretical part of accounting discipline nationally and accountants who is partaking in the practice of the area have a meaningful difference statistically between their perspective to the expressions stated. In this direction question of the research has been determined as follows:

- ✓ RQ1: What are the differences between the academicians and practitioners related to the convergence process and global acceptance of IFRS?
- ✓ RQ2: Are there any difference between the academicians and practitioners in determining the significance level of the factors effecting the completion of the convergence process of IFRS?
- ✓ RQ3: What is difference between academicians and practitioners in determining the benefits that will be gained by convergence of IFRS?
- ✓ RQ4: What are the difference between the opinions of academicians and practitioners related to the acceptance of small and medium size enterprises and convergence process for IFRS?

3.1. Data Collection

Firstly, for the main target of the study, the development of the measuring instrument has been provided. The measuring instrument of the research consists from two parts. First part is related to the IFRS and taken from Financial Reporting Convergence Questionnaire (FRCQ) developed in 2010 (Rezaee et.al.2010). IFRS global acceptance existing in this scale, the factors affecting the convergence process, the statements existing in the significance level of benefits provided was amended by accommodating them to national statements and structure. In the second part of the measuring instrument, SME's statement of IFRS which their preparations were made nationally. Thus, National Financial Reporting Convergence Questionnaire (NFRCQ) having 2 parts has been prepared (see Appendix). 5 point likert was used in the whole scale.

The measuring instrument was subjected to the pilot scheme by 25 academicians and 25 accountants and considering the data resulted from the pilot scheme the statements were rearranged in an understandable and short way. Then it was sent to the 250 academicians and 250 members of a profession adventitiously in electronic media. In order to increase the rate of the answers given to the measuring instrument, working group which e-mail was sent had been informed about the aim and importance of the research and 2 weeks had been given them to answer the measuring instrument. Accordingly, obtaining the answers from the working group had taken approximately two months. Considering the data obtained, the statistic analysis had applied and the results of the analysis and the discussions related to the results is presented in the following parts.

3.2. Findings and Discussion

The answers have been taken from 85 academicians related to the measuring instrument sent by e-mail to 250 academicians and 250 accountants. However 2 answers were not included to the research since they were not completed and the answers of 83 academicians were analyzed. 90 of the Accountants answered to the measuring instrument and 1 of these answers was not included to the measuring instrument since it was not completed and answers which 89 accountants gave to the measuring instrument have taken into consideration.

The first question in the first part of the measuring instrument is related to the acknowledgement level for IFRS of participants. Since the obvious differences between academicians and practitioners were expected in this question, t test for independence groups (Independent - Sample t test) were used and the differences of meaning were defined in the end of levene statistic. The results are summarized in the following table 2.

It is observed that there is a meaningful difference statistically between the IFRS acknowledgement levels of the academicians and practitioners answering the measuring instruments in the table above. Thus, IFRS acknowledgement level (4.10) of academicians is higher than IFRS acknowledgement level of practitioners (3.22). The main reason of that IFRS practises are new in terms of the accountants and academicians follow this process more closely from the theoretic aspect.

Afterward the statements related the convergence process of IFRS and the global acceptance of IFRS were given in the first part of measuring instrument. 10th statement were given in this part and determining the participation level of the participators to these statements were aimed. And with the aim of determining the difference between their participation level of academicians and practitioners, independence t test was applied. Findings are indicated in the table 3.

As it is indicated in the table 3, the average of the answers given to the 10 statements by the academicians and practitioners are extremely high. In other words, each group has the similar and positive opinions about the global acceptance of IFRS. In addition to this it is observed that the answers given by academicians and practitioners are extremely similar. For example, one of these statements is the seventh statement. In this statement it is stated to the each groups that Public Oversight, Accounting and Auditing Standards Authority is responsible in the national acceptance of IFRS. The answers given by academicians (4.40) are very similar to the answers given by Practitioners (4.38) and they join to the responsible of the board. In the meantime they think that the effective working of the board will make important effects in the convergence process.

Another statement including very close answers is the ninth statement. In this statement it is stated that IFRS should prepare a new and suitable uniform accounting plan. The main reason of including especially a uniform accounting plan is the historical importance given to the accounting plan in the development of accounting system. In this statement it has been observed that the answers given by academicians (4.43) and practitioners (4.57) are very similar to each other and each two groups join to the statement extremely. In other words, both practitioners and academicians share the opinion of preparing a uniform accounting plan compatible with IFRS. There are some difference statement that each two groups gave meaningfully in addition the similar statements.

The first of them is the first statement of “Investors would benefit if companies worldwide prepared their financial statements using a single set of high – quality accounting standards”. It is found that the average of answers to this statement that practitioners (4.51) gave is higher than academicians (4.19) and there is a meaningful difference between the perspective of academicians and practitioners to this process and the global acceptance of this process. And the eighth of the given statement is the statement of “ For sufficient application of IFRS in Turkey, like Commercial Code, tax laws and measurement and valuation issues should be adopted by IFRS”. It is also stated that the average of the answers of the practitioners (4.52) are higher than academicians (4.10) and there is a meaningful difference between both groups. With this result it is proved that they believe that IFRS process will be accepted easily if especially the accountants provide the whole legal regulations. Lastly, when 10th statement “A transition option period should be given to ensure preparers, auditors and accounting programs obtain sufficient education and training in IFRS” which the meaningful difference are determined are analyzed, it has been ascertained that the average of the answers of the practitioner (4.69) is higher than the answers of academicians (4.45). The main reason of the difference between these two groups is need of activities like trainings, seminars etc. in this transition to IFRS process of accountants. IFRS trainings of trade bodies and international auditing companies in Turkey oriented to the members of a profession have been made frequently and accountants have been requested these trainings from the trade associations, these two factor clarifies the findings obtained. Generally the statements in the table are commented, it can be said that the academicians and practitioners in Turkey adopting positive opinions related to the IFRS process and global acceptance.

These findings have the qualification supporting the 5th, 6th and 7th questions in the first part of the scale. In the 5th question 36% of academicians and 48% of practitioners have stated that there is a legal and regulatory environment that is determinative in the preparation of a plan which is suitable for the transition period of the whole enterprises. However 34% of the academicians, 21% of the practitioners and 21% of the investors have stated that auditor, administrator and students studying for accounting training should have IFRS training. The highest value was given to this answer in these two groups and there is no meaningful difference. In the 6th question, the amount of the needed for the completion of convergence process of IFRS was asked and 20% of the academicians think that it will be completed between 6 to 10 years, 30% thinks that it will be completed between 3 to 5 years and 20% thinks that it will not be finalized. 56% of the practitioners think that it will be completed between 3 to 5 years, 39% thinks that the process will be finalized between 6 to 10 years. The amount of time needed to convergence the auditing standard in 7th question was asked 30% of the academicians have stated that it will be completed in 10 years, 38% of the practitioners have stated that the process will be completed in a period more than 10 years. Both groups have stated that it will take time more than 5 years. However 21.6% of the academicians in the 6th question and 21.3% of the academicians in the 7th question has stated that the convergence of IFRS in the whole world will never be able to completed. It was revealed in the results that the practitioners do not agree with the academicians about this subject.

In the first part of the measuring instrument, the statements related to the effecting levels factors that are effective in global convergence of IFRS were included and determining the significance levels of these statements by working group was requested. In this direction the findings oriented to the statements are summarized in the table 4. As it can be observed from the Table 4, the effecting levels of the factors that are effective in the global convergence of IFRS in the 3rd, 9th and 11th statements are very similar to each others for both groups. For example, it has been understood from the answer of both academicians (4.14) and practitioners (4.13) in the 11th statement that statements given have very important effects on the subject that practice union of IFRS should contain all areas nationally. This situation is necessary for explaining the importance of SME for IFRS taking part in the second part of the measuring instrument. In addition to this it has been indicated that the convergence process of the factor related to the IFRS transition plan and problems affect subsequently in terms of academicians (4.07) and practitioners (3.93). The problem implied in this subject is the language problem especially. Translation of the IFRS complete set to

Turkish is one of the most important problems of both academicians and practitioners in the convergence process. In addition to these, it has been observed from the table that there are some lexical differentiations between each two groups in the 1st and 5th statements especially. The answers given by the academicians (3.83) differentiate meaningfully from the answers given by the practitioners (3.30) and academicians states that this factor is contained by the effecting level mostly. And the coordination with global partners and the necessity of cooperation in the IFRS convergence process has been stated and the average on the subject of regarding this statement by academicians (4.01) has been higher than practitioners (3.49). In these two differentiations it is especially more effective that academicians play more important and effective role and follow the process closer nationally in the construction stage of IFRS convergence process compared to the practitioners. Lastly, in the first part of the measuring instrument, determining the importance level of the benefits gained from accepting the IFRS as a complete set was aimed and independence t test was applied with the aim of determining the differences considering the answers given by two groups the results are indicated in the table 5. As it can be observed in the Table 5, there are no meaningful differences between the answers given by the academicians and practitioners on the subject of benefits that will be gained by convergence of IFRS. Although the importance given to the benefits by two groups are close to each other, especially 8th and 9th statements are the same. 8th benefit is “to provide the development of the cross borders capital market of IFRS acceptance”(4.02) and the 9th benefit is “to provide mutual financial percentage of reporting including auditing reports of IFRS” (4.26) and these statements are very crucial for both groups. In terms of national IFRS practices expressed as transition economy and started to develop in the framework of capital market arrangements, it has been an expected consequence that both groups has regarded these benefits equity.

The second part of the measuring instrument has separated for the SME of IFRS which is in the process of arrangement nationally and which have a lot of negotiations. When the results are analyzed, there is not a meaning difference between the academicians and practitioners related to the level of SME of IFRS acknowledgement. Academician’s level of SME of IFRS acknowledgement (3.77) is higher than practitioners (2.96). Obtaining such a result is very ordinary when the national arrangements are analyzed. Since the convergence process of IFRS in our country firstly initiates by supporting this process institutionally and cooperating with regulating authorities, after it is transmitted by the trainings and seminars supported through the instrument of trade bodies. In a sense, the process has been completed by the transition of the practices of academicians and practitioners. A similar situation is applied in the same way for SME of IFRS. Various statements related to the SME of IFRS have been given to both groups in connection with these findings and they are requested to state the level of participation for these statements. The statement which differentiates was determined with independence t test related to the answers given. The results are summarized in the table 6. As it can be observed from the results Table 6, academicians and practitioners has given similar answers to the most of the statement given related to the SME of IFRS. Especially, there are subsequent similarities to the answers given to the 1st and 8th statements. The first statement is a very general statement nationally and related to the redefining of the definition of SME. The answers given by academicians (4.01) and practitioners (3.99) are very close to each other and the answers are positive. The answers given by the academicians (3.88) and practitioners (4.02) in the 8th statement related to that the principal based practices required by the standards will develop the professional provisions of accountants are very close to each other and the answers are positive.

In addition to this, the 9th statement suggesting that especially the measurement and evaluation parts of the arrangements in tax laws should be suitable to IFRS differentiates considerably got both groups. Both groups agree with the statement however practitioners (4.43) regard this statements more that academicians (4.00). The main reasons of this are the differentiations between new law and tax laws after the new arrangements oriented to the Trade law nationally and articulation of these differences in terms of the implementors. It is explicit that the studies of later legal infrastructure arrangement will be included in the tax laws in order to provide the convergence completely. Herewith it is ordinary that the practitioners consider the matter more important than the academicians.

In relation to the specified findings the kinds of arrangements that should be made in preparing the plan which is proper for IFRS for SMEs transitions in Turkey were submitted. 48% of the academicians and 52% of the practitioners gave the answer of the legal and regulatory environment. For the same question, 32% of the academicians and 26% of the investors considered that the investor, supervisor and the students having accounting education should get IFRS training. Herewith it was stated that IFRS for SMEs subject should be included in the curriculums of the investors, supervisors, administrators and the accountants. As a result, the question regarding the execution time of IFRS for SMEs was addressed to both groups. 64% of the

practitioners consider that the completion of the convergence will be taken into effect in 3-5 years, 30% of them consider 6-10 years. As for the academicians, 42% of them consider that it will be taken into effect in 6-10 years and 36% of them 3-5 years.

4. Conclusion

Turkey has been attracting foreign direct investment (FDI) at various levels since the establishment of the Turkish Republic in 1923. Turkish companies started to invest in other countries in the late 1990s. The amount of FDI following into Turkey between 2002 and 2005 was USD 15.4 billion whereas FDI flowing out of Turkey during the same period was USD 2.6 billion. As of 31 December 2006 there were 14.932 companies in Turkey with foreign capital. Five percent of these companies received investments from the United States and 56 per cent received from European Union – based companies, on the other hand, had most of their investments in the European Union and in the Commonwealth of the Independent States (UNCTAD, 2008: 130). In 2010, the amount of FDI flowing into Turkey, USD 8.899 billion and 53 per cent of FDI from EU membership countries (www.invest.gov.tr).

By examining national accounting transformation process, it can be said that Turkey is one of the proactive countries that took steps to improve its financial reporting and auditing system to align the requirements with the commencement of IFRS in 2005. In essence the adoption of IFRS – based standards turned out to be a three steps process where the first step was the early adoption of IFRS between 2003 and 2005 by companies whose shares are publicly traded. The second step was the compulsory adoption of IFRS starting in 2005, again by the traded companies. The third step was the mandatory adoption of IFRS by all publicly owned companies upon the enactment of draft commercial code (UNCTAD, 2008: 139-140).

In this study that aims to provide empiric base with the academicians' and practitioners' assessment way of IFRS convergence process developing as stated in Turkey, FRCQ which made Rezaee et. al. in 2010 had been taken as a basis and this scale was applied to the study groups of academicians and practitioners by being developed in terms of national. As explained in details in the former section, both academicians and practitioners have similar viewpoints regarding IFRS convergence process and IFRS for SMEs process. Only 20% of academicians participated in the research have asserted that the convergence process will never occur but the rest of them and all practitioners consider that the forementioned process will occur in 3-10 years.

Herewith the legal and regulatory environment conditions are determiners for the convergence's being actualized completely and it emphasises the necessity that the investors, supervisors, and business administration need to get IFRS training and the curriculums of accounting should be complied with the reporting according to IFRS. Both the academicians and practitioners share the same opinion that *Public Oversight, Accounting and Auditing Standards Authority should be established for preparing* the regulatory infrastructure regarding actualizing the convergence and it should undertake the implementation unity regarding the scope of accounting and supervision. It is considered as an important implementation in terms of being created of legal infrastructure in New Commercial Law convergence process.

Most of both academicians and practitioners have the same opinion regarding the necessity of preparing uniform accounting plan in accordance with IFRS in the research findings. The main reason is the habit of preparation of accounting implementations and accounting curriculums in Turkey on the uniform accounting plan base. The priority arrangements have belonged to the account plan in the studies regarding creating the uniform accounting system since especially 1970 and Uniform Accounting Plan has been enforced since 1994. Thus herewith IFRS transition both academicians and implementors have articulated that the accounting plan should be prepared in compliance with IFRS in scientific and professional organizations.

In conclusion the statements regarding IFRS for SMEs took part in the scale. It was observed that these statements were given favorable opinions by both the academicians and practitioners. Especially the requirement of the definition of a new SME in Turkey was supported by both groups. In this way the necessity of conceptual frame of IFRS for SMEs is also a statement that was supported by both the academicians and practitioners. In connection with the above statements, both groups articulated that the convergence period of IFRS for SMEs will occur in 3-10 years and the legal and regulatory environment conditions are determiners in the transition plan required for IFRS convergence.

The convergence is so important for the comparability of the financial reports globally. It is required that both the academicians and practitioners participate in the process of the convergence and fulfill the requirements of the process together for providing the efficient financial reporting at the national level.

Being able to have a role in global capital markets for Turkey that is a country especially having the transition economy is closely related with the actualization level of the convergence.

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Table 2. Familiarity with IFRS

Sample		N	Mean	Std. Deviation	Independent-Sample t Test
Familiar with IFRS	Academicians	83	4,10	,692	0.00*
	Practitioners	89	3,22	,962	

* p < 0.05

Table 3. Global Acceptance of IFRS

Sample	N	Mean	Std. Deviation	Independent-Sample t Test	
1. Investors would benefit if companies worldwide prepared their financial statements using a single set of high-quality accounting standards.	Academicians	83	4,19	,943	0.015*
	Practitioners	89	4,51	,785	
2. Uniform globally accepted accounting standards will produce comparable financial reporting worldwide.	Academicians	83	4,20	,921	0.099
	Practitioners	89	4,43	,838	
3. IFRS are achieving global acceptance as a reputable set of standards for global financial reporting.	Academicians	83	4,20	,960	0.532
	Practitioners	89	4,29	,869	
4. An appropriate framework for the global acceptance and enforcement of IFRS should be agreed on.	Academicians	83	4,45	,753	0.138
	Practitioners	89	4,26	,886	
5. Convergence to a single set of global accounting standards requires all countries to adopt IFRS.	Academicians	83	3,93	1,033	0.317
	Practitioners	89	4,09	1,083	
6. Complete convergence is not possible because of differing cultural, legal, regulatory, and economic environments.	Academicians	83	3,92	1,181	0.078
	Practitioners	89	3,61	1,104	
7. Convergence of IFRS at the national level, Public Oversight, Accounting and Auditing Standards Authority should encourage IFRS in Turkey.	Academicians	83	4,40	,732	0.897
	Practitioners	89	4,38	,833	
8. For sufficient application of IFRS in Turkey, like Commercial code, tax laws and measurement and valuation issues in it should be adopted to IFRS.	Academicians	83	4,10	1,078	0.008*
	Practitioners	89	4,52	,755	
9. For sufficient application of IFRS in Turkey, an Uniform Charts of Accounts that have adopted to IFRS will be prepared.	Academicians	83	4,43	,886	0.254
	Practitioners	89	4,57	,705	
10. A transition option period should be given to ensure preparers, auditors, and accounting programs obtain sufficient education and training in IFRS.	Academicians	83	4,45	,785	0.034*
	Practitioners	89	4,69	,684	

* p < 0.05

Table 4. Effective Factors of Convergence IFRS

	Sample	N	Mean	Std. Deviation	Independent-Sample t Test
1. Initial cost of convergence	Academicians	83	3,83	1,057	0.004*
	Practitioners	89	3,30	1,300	
2. Required changes in regulatory regime	Academicians	83	4,18	,608	0.084
	Practitioners	89	3,97	,959	
3. Required changes in the legal system	Academicians	83	4,36	,596	0.189
	Practitioners	89	4,21	,846	
4. Required changes in auditing standards	Academicians	83	3,98	,869	0.171
	Practitioners	89	3,78	1,031	
5. Coordination and collaboration among global regulators	Academicians	83	4,01	,690	0.001*
	Practitioners	89	3,49	1,198	
6. Global acceptance of IFRS as a high-quality set of accounting standards	Academicians	83	4,02	,780	0.082
	Practitioners	89	3,78	1,053	
7. IASB funding and membership	Academicians	83	3,00	1,169	0.174
	Practitioners	89	3,22	,986	
8. Flexibility in adopting various versions of IFRS (e.g., EU endorsed)	Academicians	83	3,61	,895	0.194
	Practitioners	89	3,42	1,085	
9. Transition plan and issues pertaining to IFRS	Academicians	83	4,07	,659	0.259
	Practitioners	89	3,93	,927	
10. Lack of education, understanding, and experience by preparers of financial reports with the use of IFRS	Academicians	83	4,22	,827	0.306
	Practitioners	89	4,34	,706	
11. Lack of uniformity in the application of IFRS in all jurisdictions	Academicians	83	4,14	,751	0.933
	Practitioners	89	4,13	,757	
12. Lack of coverage of IFRS in financial accounting textbooks	Academicians	83	4,11	1,179	0.215
	Practitioners	89	4,30	,858	
13. Lack of coverage of International Standards on Auditing (ISAs) in auditing textbooks	Academicians	83	3,90	1,175	0.481
	Practitioners	89	4,02	1,033	

Table 5. Benefits of Convergence of IFRS

	Sample	N	Mean	Std. Deviation	Independent-Sample t Test
1. Minimize barriers to global competition for capital	Academicians	83	3,82	1,061	0.540
	Practitioners	89	3,72	1,076	
2. Increase global comparability promoting a more informed global marketplace	Academicians	83	4,10	,932	0.140
	Practitioners	89	3,88	1,009	
3. Enable investors to evaluate investment options in a global marketplace	Academicians	83	3,90	1,007	0.794
	Practitioners	89	3,94	1,004	
4. Strengthen the efficiency and cost-effectiveness of global capital allocation	Academicians	83	3,84	,833	0.538
	Practitioners	89	3,75	1,069	
5. Establish cost efficiencies and proper processes for multinational companies	Academicians	83	3,96	,756	0.098
	Practitioners	89	3,74	,972	
6. Position IFRS to be the globally accepted accounting language	Academicians	83	4,04	,943	0.404
	Practitioners	89	4,15	,777	
7. IFRS enable management and auditors to exercise more professional judgment	Academicians	83	3,93	,866	0.090
	Practitioners	89	4,13	,726	
8. IFRS improve cross-border integration of capital markets	Academicians	83	4,02	,780	0.989
	Practitioners	89	4,02	,738	
9. IFRS create uniformity in global financial reporting including audit reports	Academicians	83	4,16	,788	0.995
	Practitioners	89	4,16	,782	

Table 6. IFRS for SMEs

	Sample	N	Mean	Std. Deviation	Independent-Sample t Test
1. In Turkey, the definition of SMEs should be made again.	Academicians	83	4,01	,956	0.871
	Practitioners	89	3,99	,923	
2. The sufficient application of IFRS for SMEs can be possible, when they will be supported by regulatory and legal authorities and Economic environments.	Academicians	83	4,40	,697	0.320
	Practitioners	89	4,28	,826	
3. The implementation of IFRS for SMEs will be facilitated the process of application IFRS as a single set.	Academicians	83	3,82	,977	0.112
	Practitioners	89	4,03	,775	
4. The preparers which use IFRS for SMEs, will frequently need to refer IFRS.	Academicians	83	3,57	,990	0.105
	Practitioners	89	3,79	,776	
5. Transition to IFRS firstly, is facilitated to convergence IFRS for SMEs in Turkey.	Academicians	83	3,52	1,028	0.091
	Practitioners	89	3,76	,866	
6. For the sufficient application of IFRS for SMEs is required an appropriate framework for SMEs IFRS.	Academicians	83	4,04	,890	0.489
	Practitioners	89	3,94	,858	
7. A transition option period should be given to ensure preparers, auditors, and accounting programs obtain sufficient education and training in IFRS for SMEs.	Academicians	83	4,25	,973	0.098
	Practitioners	89	4,46	,641	
8. The implementation of IFRS for SMEs will enable professionals to report on principles-based Standards than rule-based. And this will be strengthened the professional judgement in the reporting process.	Academicians	83	3,88	1,152	0.370
	Practitioners	89	4,02	,929	
9. For sufficient application of IFRS for SMEs in Turkey, like Commercial code, tax laws and measurement and valuation issues in it should be adopted to IFRS.	Academicians	83	4,00	1,093	0.002*
	Practitioners	89	4,43	,689	
10. For sufficient application of IFRS in Turkey, an Uniform Charts of Accounts that have adopted to IFRS should be prepared.	Academicians	83	4,24	1,019	0.011
	Practitioners	89	4,58	,704	

Table 1³. The Researches in the Literature

References	Country Analyzed and Scope	Topic	Results
Jermakowicz 2004	Belgium	The internal structures of IFRS transition and enterprises and their effects the strategies of accounting and finance have been examined.	They made lots of important changes on internal and external activities of the enterprises and affected the capital stock and net profit reporting.
Larson and Street 2004	17 European countries	The Convergence process of IFRS and the preventions emerged at this process.	Development of two - standard system, the two most significant impediments are the complicated nature of certain IFRS and the tax - orientation of many national systems
Ormond and Taylor 2004	United Kingdom	The effects of changes on the debt agreement made by the enterprises have been examined.	The changes regarding the reported profit and balance sheet accounts were made.
WeinBamberger et al. 2004	Germany	The reasons of those German enterprises mostly use US GAAP or IFRS instead of German GAAP were investigated.	The expectation of increasing the entries of financial markets or operating in financial markets for a long time was created as a result of the research.
Fontes et al. 2005	Portugal	They calculated the convergence levels to IFRS of National accounting standards in Portugal by using its Euclidean distances.	They confirmed that Portuguese national accounting standards converged to IFRSs in between 1977 -2003.
Schipper 2005	European Union countries	The effects of the implementations belonging to the countries which had to implement IFRS were investigated.	The regulatory bodies particularly IASB should prepare implementation guidance for IFRS implementations.
Delvalle et al. 2005	Germany, France and Italy	They made comparison IFRS harmonization process and developments among three countries specified.	The IFRS usages of enterprises in Germany are more clear. There are clear differences among IFRS harmonization processes in all three countries.
Gassen and Sellhorn 2006	Germany	The purposes are to determine what determinants, affecting voluntarily usage of IFRS for German companies public, are and to determine what earning differences among enterprises using German GAAP are.	Firm size, international exposure, dispersion of ownership are important drivers and determinants of voluntary IFRS adoption and IFRS firms have more persistent less predictable and more conditionally conservative earnings.
Jermakowicz and Gronik	European Union countries	They investigated what benefits EU enterprises expect from IFRS implementations.	According to the results of the research the enterprises stated that the harmonization of IFRS brings responsibility which is high costly, complicated and important. They hope that these above mentioned negativities change and they benefit from them.
Tomaszewski 2006	32 developing countries had adopted IAS, 32 developing countries had not adopted IAS	The comparison among the factors affecting the internationalization process in countries by thirty-tvos which both accept and do not accept IAS was made in 2003.	According to the results, developing countries that enjoy the highest literacy rate, have a Capital market and belong to an Anglo - American culture are the most motivated to adopt IAS.
Callao et al. 2007	Spain	The study focuses on the effects of IFRS on comparability and the relevance of financial reporting in Spain.	According to the study, local comparability has worsened and there has been no improvement in the relevance of Capital reporting.

³ This table is prepared in the light of the research of Callao et al. (2007) and the above mentioned sources.

Daske et al. 2007	24 countries	The differences among IFRS harmonization's economic results were investigated.	The evidence indicating that serious IFRS adopters experience larger declines in the cost of capital and larger increases in market liquidity.
Jaruga et al. 2007	Poland	They investigated IFRS implementations' effects of the enterprises in Polish regarding the profit and capital in the financial charts.	According to the results of research, the enterprises consider that IFRS transition will have positive impacts on the reported profit and capital in the financial charts.
Christensen et al. 2008	Germany	The aim is to determine the enterprises in Germany increment in the quality of accounting as a result of their voluntarily IFRS implementations.	According to the results of the research, the enterprises' requests to use IFRS determine the quality of financial information.
Daske et al. 2008	26 countries	The aim is to determine the economic results of financial reports belonging to the enterprises in 26 countries accepted IFRS compulsorily.	According to the results of the research, the effects of capital markets required that the capital markets comply with IFRS voluntarily. However the enterprises had to accept IFRS compulsorily when IFRS had become obligatory has prevented the effects of capital markets.
Goodwin et al. 2008	Australia	The aim is to determine the effects of IFRS usage on the quality of accounts and calculations in the financial charts belonging to the enterprises in Australia.	According to the results of the research, the harmonization of IFRS increases the debts of the enterprises and decreases most of enterprises' earnings.
Hail et al. 2009	USA	The main is to determine the economic and political factors affecting the harmonization process of IFRS belonging to USA enterprises.	According to the results of the research, IFRS harmonization gains favor in terms of the comparability of the investors and it is important for multinational enterprises 'cost benefits and transaction costs.
Strouhal et al. 2009	Czech Republic	The comparability of reporting levels that SMEs in Czech Republic made by using national standards and IFRS was investigated.	According to the results of the research, it is ascertained that the comparability levels of financial reports belonging to the enterprises making reports by using both arrangements.
Albu et al. 2010	Romania	The study regarding the content of possible IFRS implementations in terms of SMEs in Romania was done.	It was inferred that there are still uncertainties between the national implementations and IFRS implementations in Romania.
DeFond et al. 2010	European Union countries	Examining the changes in foreign mutual fund investment in firms that began using IFRS after its mandatory adoption in EU.	Firms experience larger increases in foreign mutual fund ownership when there is a credible increase in uniformity from IFRS adoption.
Hellman et al. 2010	Germany	The factors affecting IFRS harmonization processes belonging to the accountants in Germany were tried to be determined through case study.	According to the results of the research, especially the translation and the costs required by IFRS harmonization in IFRS harmonization process affect IFRS convergence process directly.
Rezaee et al. 2010	USA	The comparison of viewpoint belonging to academicians and implementers in IFRS convergence process.	According to the results of the research, both academicians and implementers opined the same that full set standards accepted globally should enter in IFRS convergence process. Herewith the convergence process' being costly and the standard arrangement processes' being expensive are included in the research findings.

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